Developing an Agri-Tourism Operation in Ontario

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Factsheet

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Opening your farm gates to visitors involves shifting the focus of your operation from production to people. This shift involves innovation, business planning and, most of all, patience. Farm owners who have successfully integrated agri-tourism into their operations report that the transition has enhanced their lifestyle as well as their business.

Agri-tourism supports a growing desire by consumers to head outdoors and to the country for more leisure opportunities. The University of California's Small Farm Center defines Agricultural Tourism as "the act of visiting a working farm or any agricultural, horticultural or agribusiness operation for the purpose of enjoyment, education or personal involvement in the activities of the farm or operation." Agri-tourism is a subset of a larger recreational industry called rural tourism that includes visits to rural settings or rural environments to participate in or experience activities, events or attractions not readily available in urbanized areas.

THE MARKET

Ranked by survey results, the major reasons to go on vacation include:

- **To build and strengthen relationships** — The number one reason for going on vacation is to be together as a family. Agri-tourism destinations are traditionally family-focused.
- **To improve health and well-being** — Travellers want to refresh and renew themselves by actively participating in outdoor activities. Agri-tourism venues promote authentic outdoor activities and events.
- **To rest and relax** — Agri-tourism operations, particularly farm vacations, offer an excellent non-urban, peaceful environment for rest and relaxation.
- **To have an adventure** — Many look to vacations for exciting experiences that stir emotions. Agri-tourism operations pride themselves on adventure and fun. This may include activities as challenging as running through intricate corn mazes to hiking through an on-farm enchanted forest.
- **To escape** — Many people travel to take a break from routines, worry and stress. They are looking for something different: a better climate, natural scenery, a slower pace of life, cleaner air, quieter surroundings and more.
- **To learn** — Learning and discovery are strong motivators for many of today's travellers. People travel to learn or practise a language, study a culture, explore gourmet foods or wines, investigate spirituality, discover something about themselves. They want to touch, feel or taste something unfamiliar and authentic. Agri-tourism is a key segment of the tourism market that can offer a glimpse for the majority of our urban population into the unfamiliar.
- **To reminisce** — Many people travel to relive fond memories. In the case of agri-tourism, some vacationers, especially older travellers, will visit a farm to rekindle memories of the simple, rural lifestyle they remember from childhood. These vacationers pay money for food, lodging, transportation and souvenirs, but they are really buying a sentimental journey.

DO YOU HAVE WHAT IT TAKES?

Developing a successful agri-tourism operation does not necessarily involve a huge investment in infrastructure or capital expenditures. In fact, many farm operators do not realize the agri-tourism potential their farm property holds. The first step is to assess your assets.

Physical Resources

Land: List what you have, including pasturelands, wood lots, crop land, wetlands, elevation, topography, etc.

Climate: Consider weather patterns (rain, snow, humidity, wind) and temperature and how they may affect the types of activities you might provide.

Ministry of Agriculture, Food and Rural Affairs

Ontario

Infrastructure: List what structures you could use — buildings, equipment, roads/trails, fences, etc.

Other attractions: List those things already on your farm that might appeal to a visitor, such as wildlife, streams, ponds, fishing, livestock, proximity to natural or manmade points of interest, etc.

Operations and Management

Owner/manager strengths and goals: List the intangible assets you have that can help you with a farm recreation operation, such as people skills, marketing ability, knowledge or skill such as maze building, livestock management, cooking, historical knowledge of the area, etc.

Family Strengths and Resources: List any skills and strengths that family members could add.

Activities

List activities you already do on your operation that might appeal to the public. Remember, what seems routine to you may be considered interesting to the non-farm public. Some examples might include on-site food production, machinery operations, including harvesting and planting, calving and/or lambing, trail rides and crop picking.

An advantage of agri-tourism is that there are so many potential customers. It is wise, however, to target the segments of the market that best suit your business goals:

- What kind of visitors do you want to attract?
- What kind of guests can you attract to your farm with the operation you have today?
- What kind of visitors will you be able to attract in the future?

Identify your target market(s) by creating a profile of the customer you want to attract to your farm for both cultural and financial benefit:

- Who would you consider to be the ideal customer? (families with young children, schoolchildren, etc.).
- What characteristics do you want in your guests (independent types? action-oriented people? people looking for entertainment and activities? people seeking relaxation?)
- Where do your preferred customers come from? (Ontario, out of province, out of Canada, urban, rural)
- What are your customers' age groups? (young? retired? variety?)
- Are they single? Married?
- What is their income level?
- What is their party made up of?
- Do your customers include children?
- What are the hobbies/interests of your preferred customers?

The types of activities you can offer at your farm are many – you just have to use your imagination. Here are some suggestions:

- roadside stands and markets
- food activities: "Pick/Cut/Gather/Grow/Process Your Own"
- farm activities: haying, threshing, plowing, fencing, sheep shearing, lambing, egg hatching
- bed and breakfast/farm vacations
- specialties: wine, cider, maple syrup, flowers, herbs
- animal feeding and petting areas
- seasonal festivals: Fall harvest, Hallowe'en, Christmas, Spring, strawberry, corn
- hay and/or sleigh rides
- hiking/scavenger hunts, Easter egg hunts
- barn dances (square dancing)
- birthday and corporate parties
- weddings, family reunions
- horseback riding
- photography/painting
- school tours and summer day camps
- cross-country skiing/snow shoeing/snowmobiling
- historical interpretation and reenactments
- mazes, rock climbing
- wildlife viewing (birds, deer, etc.)
- scarecrow-making, pumpkin carving/painting
- theatrical or puppet shows and musical events
- community charity events
- movie shoots

STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS — THE SWOT ANALYSIS

Like any new business venture, the development of a comprehensive business plan is crucial. Conduct a "SWOT" analysis examining the Strengths, Weaknesses, Opportunities and Threats such a venture might present at your location. A priority, however, is to ask yourself: Do I want to have the public on my farm? Do I like dealing directly with the consumer? Am I prepared to spend every weekend during peak season tied to the farm? Am I prepared to accept the liability of having traffic and people on my farm? In other words, with an agri-tourism business, your farm will no longer be your private sanctuary.

Here are some helpful tips if you are considering such a venture:

- Explore zoning bylaws in your municipality that may affect what you can do on your farm.
- Find out the type and scope of liability insurance required for hosting the public on your property.
- Inform your neighbours of potential changes to your farm operation, discussing both impact and opportunities.
- Examine existing buildings and structures on your property to see if they are suitably located and conducive to the types of products and activities you will be offering to the public.
- Check to see what limitations there may be on posting signage attracting customers to your property.
- Ensure safe and easy access to your property along with sufficient off-road parking.
- If you plan on people staying for long periods of time, provide sufficient and sanitary washroom facilities, including handwashing stations — particularly when people, food and animals are involved.
- If you plan to prepare and serve food on your premises, contact your local public health unit to ensure regulations are met.
- Provide safe and efficient on-farm transportation if required.
- Have friendly, outgoing, well-trained and customer-focused employees.
- Adhere to labour laws and regulations to meet employment standards for staff.

THE NEXT STEP — MARKETING

Now that you've done an assessment of your property, identified your target market and potential activities, and conducted a SWOT analysis, the next step is to ensure you properly market your agri-tourism enterprise. It is not always a case of "if you build it, they will come" — you have to have an effective marketing plan to attract customers and keep them coming back. Marketing can be as simple as word-of-mouth referral, or involve a regional, national or international media campaign. Direct your marketing style and message to your identified audience. Anything you print must reflect these selling points in a neat, high-quality, tasteful presentation.

The Three Basics of Advertising

The Message: Focus on two or three strong selling points and additional information about your products and services. You want to tell the customer about the type of activity or enterprise you offer, additional goods and services, directions to your location and costs of the activities. Try to be original in your marketing. Keep your message simple. You can refer people to a website or invite them to write or call for a brochure with more details. Make certain the goods and services advertised represent what you can deliver.

The Medium: Marketing includes a wide range of activities, from public relations and advertising, to promotions and trade shows. Advertising is the most expensive approach. Carefully consider all forms of media and focus on those that fit your budget and reach your target audience. They may include billboards/road signs, brochures, co-operative ads, newsletters, magazines, newspaper, radio, website, television, trade journals, visitors bureau or word-of-mouth referrals.

The Target Audience: Which market segment(s) you wish to target will determine the type of advertising and the best media placement (type of radio or magazine that targets that market segment).

How much you decide to spend on marketing will largely depend on the size and type of your operation, the medium you select and the number of times you repeat any advertisements. New operations typically spend 10%–25% of total operational costs on specific marketing efforts. Take the opportunity to question and survey customers about how they found out about your operation. With time and an established reputation, costs for marketing are usually reduced to below 5% of gross income from an agri-tourism enterprise.

The Importance of Public Relations

Public relations are defined as the creation and maintenance of a favourable image. It is part of marketing and advertising, but it goes further. As a landowner, you should always be concerned with your business image. Your public relations goals can range from client's satisfaction with their experience, to acceptance of your operation by neighbours, local community leaders and the general public. It is also worth the effort to foster the support of neighbours, provincial and federal agencies, local police and law enforcement personnel, citizen groups and your local Chamber of Commerce or Visitors Bureau.

In Ontario, the province's domestic market represents 80% of the overall tourism market in 2007, up 5% from 2006 with an estimated 88.9 million trips within the province. Many agri-tourism operations are within a two-

hour drive of large urban areas (Toronto and Ottawa), which together represent about 75% of the province's population. This increased urbanization of Ontario's domestic market has resulted in consumers wanting to "experience" authentic outdoor farm activities.

The Importance of Relationship Marketing

Happy customers become loyal customers and become the key to long-term success: They will return, and they will tell their friends about your operation. Learn their names. Remember what they like and have it ready for them. Always ask your customers what they liked about their stay and what could be improved. The little touches make all the difference.

Develop a mailing list: Get names and contact information from ballots you've used for event draws, a guest book, etc. You can also get names from organizational lists specific to your target market. Your mailing list is your most important asset. Mail or e-mail your customers at least twice a year. Be sure to have permission to use their e-mail addresses.

Take care of details: Make sure that your telephone is answered professionally, e-mails are responded to quickly, your website is updated regularly and customer concerns or complaints dealt with efficiently and effectively.

Tell the community about your business: Join the local Chamber of Commerce and/or tourist association. Talk to neighbouring farms, service stations, retail outlets, etc. Give other retailers your brochure and make sure that people in your area know about you. Start close to home at first and move out gradually. Remember, it is more important to complement than to compete with other local businesses that are also looking to attract visitors. It would be even better to promote together.

Send information about your company to related magazines and newspapers: Send them news releases and story ideas. Invite them for a free visit/tour or open house. Follow mailings with personal calls. Think of things that would interest them (e.g., if you operate a Pick-Your-Own strawberry farm, send the editor a basket of strawberries to promote that you are open for business).

RISKY BUSINESS

Agri-tourism involving farm visits implies risks and potential liability to the farm owner should accidents occur. It is necessary, therefore, to develop sensible risk management strategies to minimize your liability exposure. Safety is your first priority when opening your farm gates to visitors. Your visitor's safety is largely your responsibility. See the OMAFRA Factsheet *Managing Risk on Farms Open to the Public,* Order No. 06-087, available on the OMAFRA website.

HELPFUL CONTACTS/RESOURCES

Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA)

OMAFRA has created a number of Factsheets and related information dealing with business planning and marketing. They are available from the OMAFRA website at www.ontario.ca/agbusiness.

Agri-tourism adds value to your existing farm operation. For more information, see the *Beyond Production Agriculture* Business Information Bundle at www.ontario.ca/agbusiness.

Ontario Farm Fresh Marketing Association (OFFMA)

If you want to learn from other farmers who have successfully opened their gates to the public, the Ontario Farm Fresh Marketing Association (OFFMA) has over 250 member farms ranging from modest Pick-Your-Own farms to elaborate entertainment farms attracting thousands of visitors annually. OFFMA offers its members training and resources to assist in their marketing efforts. Workshops focus on current issues and opportunities within the industry.

Tel: 905-841-9278
E-mail: info@ontariofarmfresh.com
Website: www.ontariofarmfresh.com

Ontario Farm and Country Accommodations (OFCA)

OFCA boasts over 70 farm and country families who open their homes to visitors from around the world.

E-mail: info@countryhosts.ca
Website: www.countryhosts.com

Canadian Farm Business Management Council (CFBMC)

See the publication *Cultivating Agri-Tourism – Tools and Techniques for Building Success*

Website: www.farmcentre.com (under Resources and Publications)

North American Farmers' Direct Marketing Association (NAFDMA)

Conferences, international farm tours, workshops and related publications offered through NAFDMA provide members with the opportunity to network on the profitability of direct marketing.

Tel: 1-888-884-9270
Website: www.nafdma.com

This Factsheet was developed by Dorene Collins, Marketing and Customer Service Program Lead, OMAFRA, Guelph, adapting information, with permission, from the University of California Small Farm Program's Agri-tourism Fact Sheet series.

FOR YOUR NOTES

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